




January 21, 2015

**MEMORANDUM FOR:** Ellen Herbst  
Chief Financial Officer and Assistant Secretary for Administration



**FROM:** Andrew Katsaros  
Principal Assistant Inspector General for Audit and Evaluation

**SUBJECT:** Review of the Department's FY 2014 Compliance with Improper Payment Requirements

We are initiating a review of the Department's compliance with requirements of the Improper Payments Information Act of 2002 (IPIA), as amended and reported in the "Other Information" section of the *U.S. Department of Commerce FY 2014 Agency Financial Report*. The Office of Management and Budget issued implementing guidance in the form of OMB Circular A-123, Appendix C, as revised by OMB Memorandum M-15-02, which requires federal inspectors general to review improper payment reporting annually.

We will evaluate the accuracy and completeness of the Department's reporting and its performance in reducing and recapturing improper payments. To comply with legislative requirements, this review must be completed by May 15, 2015.

We have scheduled an entrance conference for January 22, 2015. If you have any questions regarding this review, please contact me at (202) 482-7859 or Patricia McBarnette, Audit Director, at (202) 482-3391. We thank you in advance for your cooperation during this review.